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OLC 69-0292

7 April 1969

Mr. Edward J. Bauser, Executive Director
Joint Committee on Atomic Energy
Congress of the United States
Washington, D. C. 20510

Dear Mr. Bauser:

In your letter of 20 March 1969 to the Director, you asked if this Agency knew of any indication that any NATO nations [redacted] [redacted] have given any evidence of placing on the commercial market items that they have obtained directly or indirectly through a classified agreement for cooperation for mutual defense with the United States.

In response to your request, I am enclosing a paper prepared by our Directorate of Intelligence on this subject.

If we may be of further assistance in this matter, please be sure to let us know.

Sincerely,

[redacted]

John M. Maury
Legislative Counsel

Enclosure

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OLC/GLC:gs (7 April 1969)

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DESCRIPTION OF DOCUMENT(S) SENT					
CIA NO. --	DOCUMENT DATE 7 April 69	COPIES Orig. & 1	DOCUMENT TITLE Letter to Ed. Bauser Exec. Dir. JCAE	ATTACHMENTS Pos. Unauthor. Release by NATO Nations to Commercial Markets of Tech. obtained thru Class. Mutual Defense	CLASS (S)
RECIPIENT					
ADDRESS OF RECIPIENT Mr. Edward J. Bauser, Executive Director Joint Committee on Atomic Energy Congress of the United States Washington, D.C. 20510			SIGNATURE (ACKNOWLEDGING RECEIPT OF ABOVE DOCUMENT(S)) [Signature]		
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FORM 12-61 **615** USE PREVIOUS EDITIONS

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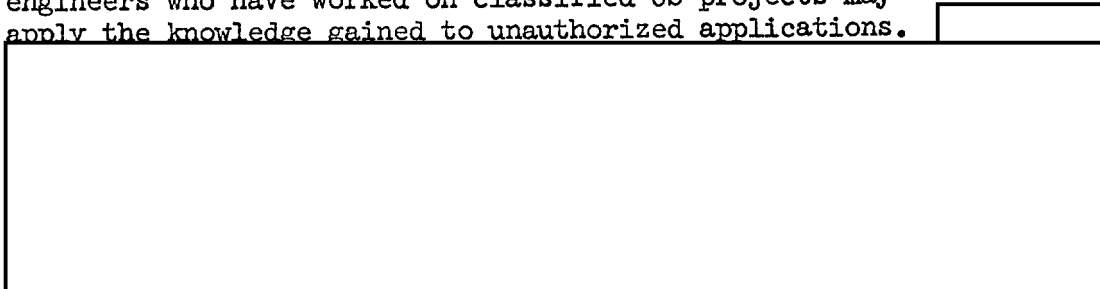
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CENTRAL INTELLIGENCE AGENCY
Directorate of Intelligence
1 April 1969

MEMORANDUM

Possible Unauthorized Release by NATO Nations
to Commercial Markets of Technology Obtained
Through Classified Mutual Defense Cooperation
Agreements

1. As far as can be ascertained, classified information provided to NATO governments, largely by the United States, has not been handled contrary to existing agreements. Industrial security arrangements in these countries are conducted in a manner similar to US practices. A potential danger, however, is the possibility that scientists and engineers who have worked on classified US projects may apply the knowledge gained to unauthorized applications.



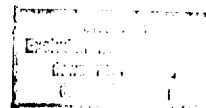
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2. Knowledgeable US officials who deal regularly with co-production agreements and other classified exchanges of technology point out that US industry licenses much of the classified technology passed to other countries. The Department of State's Office of Munitions Control reviews each request in advance of passage. The US firms themselves have a vested interest in controlling the activities of licensees. In addition, the threat of losing access to US technology acts as a deterrent against unauthorized use of classified data by a foreign company.

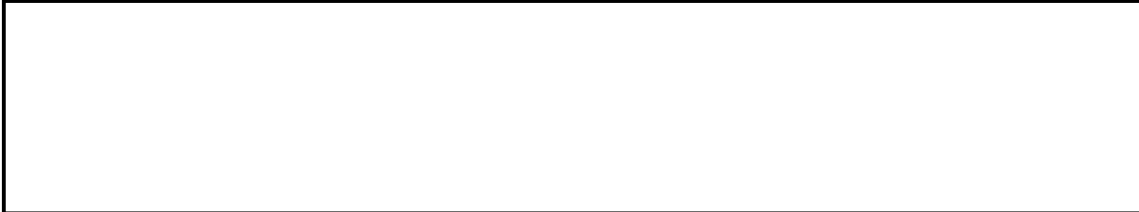
3. In the atomic energy field, we have no firm information that shows a foreign NATO government's connivance in instances of suspected disclosures. In the more general area of cooperative ventures in the mutual defense field, individual cases of breaches

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of security agreements have occurred. These cases usually have been restricted to the diversion of single items by individuals. Two recent cases of possible governmental violations have been



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2			
3	<i>GLC - action</i>		
4			
5			
6			
	ACTION	DIRECT REPLY	PREPARE REPLY
	APPROVAL	DISPATCH	RECOMMENDATION
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	CONCURRENCE	INFORMATION	SIGNATURE
Remarks: <p style="text-align: center;">OER has revised its paper for the JCAE on possible unauthorized use by NATO nations of technology obtained through classified agreements with the U.S. I understand that this was done in consultation with you as a result of State's request for a copy of our response.</p> <div style="border: 1px solid black; width: 200px; height: 40px; margin: 10px auto;"></div>			
FOLD HERE TO RETURN TO SENDER			
FROM: NAME, ADDRESS AND PHONE NO.			DATE
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